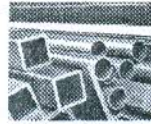


## STEEL FIRMS NEED SOME PROTECTION

New Delhi: Industry body Assocham on Thursday urged the Centre to initiate certain measures for the domestic steel sector such as extending easy financing, devising long-term freight tariff policy and augmenting transportation infrastructure among others. "A comprehensive package for steel sector should be unveiled encompassing special financing arm for providing capital for expansion of



capacities, easy extension of working capital loans, long-term policy on freight tariffs and augmenting transportation infrastructure capacity to meet needs of steel production," it said. Considering that higher transport costs result in higher production cost of steel in India, there is an urgent need to bring down freight tariff rates by up to 25 per cent across all raw material and steel products to gain competitive edge, it said. — PTI

# Key GST meet begins today

## OUR BUREAU

**New Delhi, Nov. 2:** The GST council will begin its crucial two-day meeting tomorrow to decide on the tax rate, including the levy of cess, and sort out the vexed issue of jurisdiction over assesseees.

At the meeting, to be chaired by finance minister Arun Jaitley, the Centre is likely to press its proposal for a four-tier tax structure of 8, 12, 18 and 26 per cent, the peak rate being for FMCG and consumer durables.

Meanwhile, minister of state for finance Arjun Ram Meghwal told PTI that there had been "minor" differences over the issue of cess but expressed confidence that it would be resolved.

"Our effort is to decide on all matters through consensus. We want everyone to come around on all issues. There may be times when Tamil Nadu or Kerala or Bengal or Uttar Pradesh have said something different but we will get them around."

## VEXED ISSUES

- Four-tier tax structure
- Cess on demerit goods
- Jurisdictions over assesseees
- **Deadline:** Five months to go before April 1

## G S T

"We are confident that the GST will be rolled out from April 1. All issues would be sorted out before that," he said.

The Centre has also proposed to levy additional cess on demerit goods such as tobacco, aerated drinks and polluting items to create a Rs 50,000-crore fund to compensate the states for revenue loss.

The proposal, which was discussed at the last meeting, could not be adopted by the council because of opposition by some

states. The upcoming meeting will have to sort out the issues to enable Parliament to approve the central and integrated GST legislations in the winter session of Parliament beginning November 16.

## Tax anomalies

Sharp anomalies in the taxation structure across different industries such as telecom, tobacco and textiles should be addressed as the country moves towards a GST regime, said a paper submitted to the GST council.

The taxation structure for sin goods such as tobacco should not be based on emotive issues, but on rational parameters such as the need to check illicit trade, the *Assocham-KPMG* paper said.

It said instead of taxing tobacco and tobacco products at higher than the standard rate, the entire sector should be placed under the standard rate, with focus on bringing exempted items under the GST net to eliminate rampant illicit trade.

# GST woes need to be sorted: study

New Delhi, Nov. 2: Sharp anomalies in the taxation structure across different industries such as telecom, tobacco and textiles should be addressed as the country moves towards the goods and services tax regime, said a paper submitted to the GST Council.

Taxation structure for sin goods like tobacco should not be based on emotive issues, but on rational parameters like the need to check illicit trade, said the Assocham-KPMG paper. It said that instead of taxing tobacco

and tobacco products at higher than the standard rate, the entire sector should be placed under the standard rate, with focus on bringing exempted items under GST net to eliminate the rampant illicit trade.

For the telecom sector, the paper cautioned that GST may negatively impact the working capital cost since initial landed price of purchases, including imports, may increase due to increase in tax rates. It said the cost of procurement of services



may increase to more than 18 per cent from the current 15 per cent, which will be a challenge for the industry, especially if CENVAT credit on passive infrastructure and fuel consumption is continued to be denied.

“While GST is a path-breaking reform, its implementation should be calibrated in a manner to cause least disturbance to the existing taxation structure,” Assocham secretary general D.S. Rawat said.

The paper also went into the impact of GST on the textile sector and suggested ways to find an ideal situation. It said that in case India opts for higher tax rates under the proposed new regime, India will lose its market share in the long term to developing economies. — PTI

## Remove anomalies across sectors before GST rollout: Report

New Delhi

Sharp anomalies in the taxation structure across different industries such as telecom, tobacco and textiles should be addressed as the country moves towards the goods and services tax (GST) regime, said a paper submitted to the GST Council, reports PTI.

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It said that instead of taxing tobacco and tobacco products at

higher than the standard rate, the entire sector should be placed under the standard rate, with focus on bringing exempted items under GST net to eliminate the rampant illicit trade.

The next meeting of the GST Council is on November 3-4.

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The paper also went into the impact of GST on the textile sector and suggested ways to find an ideal situation. It said that in case India opts for higher tax rates under the proposed GST

regime, the country will lose its market share in the long term to developing and highly competitive economies.

It recommended that India should implement policies that capitalise on the potential of its textile and apparel industry so that the country has a higher bargaining power in procuring export orders.

"Thus, the government should take a conscious call to retain lower rate for this industry by introducing a special lower slab of 4-6 per cent under the proposed GST regime along with full input tax credit of GST paid

on goods and services used in the supply chain," the paper, which was submitted recently to the GST Council, said.

The paper noted that the tobacco industry has been the second-largest contributor to Indian excise revenue after the oil and gas sector. The combined tax revenue collected from tobacco industry was more than Rs 29,000 crore in 2014-15.

It is proposed to levy both dual taxes and higher rate of GST. The endeavour should be to tax the hitherto untaxed/insignificantly taxed segments of the tobacco industry.

## इस्पात क्षेत्र के मुख्य मुद्दों पर ध्यान दे सरकार : एसोचैम

नई दिल्ली, 3 नवंबर(भाषा)।

उद्योग मंडल एसोचैम ने गुरुवार को केंद्र से आग्रह किया कि वह इस्पात क्षेत्र के मुख्य मुद्दों पर ध्यान दे और आसान वित्तपोषण उपलब्ध कराने व परिवहन बुनियादी ढांचे को मजबूत बनाने जैसे कई जरूरी कदम उठाए। एसोचैम ने एक बयान में कहा है- इस्पात क्षेत्र के लिए एक विस्तृत पैकेज लाया जाना चाहिए जिसमें क्षमता विस्तार के लिए पूंजी उपलब्ध कराने के लिए विशेष वित्तपोषण इकाई, आसान कार्यशील पूंजी कर्ज, मालदुलाई शुल्कों को लेकर दीर्घकालिक नीति व परिवहन बुनियादी ढांचा क्षमता को मजबूत बनाना शामिल है। इसके अनुसार ऊंची परिवहन लागत से देश में इस्पात उत्पादन की लागत अधिक है इसलिए सभी तरह के कच्चे माल व इस्पात उत्पादों के लिए माल भाड़ा दरों में 25 फीसद तक की कटौती की तत्काल जरूरत है। इसी तरह उद्योग मंडल ने सस्ते इस्पात का आयात रोकने के लिए न्यूनतम आयात मूल्य (एमआईपी) व सतत आधार पर सुरक्षात्मक शुल्क लगाने जैसे कदम उठाने को कहा है।

## इस्पात क्षेत्र पर ध्यान दे सरकार

नई दिल्ली। उद्योग मंडल एसोचैम ने आज केंद्र से आग्रह किया कि वह इस्पात क्षेत्र के मुख्य मुद्दों पर ध्यान दे और



आसान वित्तपोषण उपलब्ध कराने व परिवहन बुनियादी ढांचे को मजबूत बनाने जैसे कई जरूरी कदम उठाए।

इस्पात क्षेत्र के लिए एक विस्तृत पैकेज लाया जाना चाहिए जिसमें

क्षमता विस्तार के लिए पूंजी उपलब्ध कराने हेतु विशेष वित्तपोषण इकाई, आसान कार्यशील पूंजी रिण, मालढुलाई शुल्कों को लेकर दीर्घकालिक नीति व परिवहन बुनियादी ढांचा क्षमता को मजबूत बनाना शामिल है।

